



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

December 22, 2010

Michael Kasper, Treasurer  
Democratic Party of Illinois  
P.O. Box 518  
Springfield, IL 62705

**Response Due Date:**  
**January 26, 2011**

Identification Number: C00167015

Reference: October Monthly Report (9/1/10-9/30/10)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 16 items:

1. Commission Regulations require that a committee discloses the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR § 104.3(a)(4)(i)) Identification for an individual is defined as the full name (first name, middle name or initial, if available, and last name; initials for first and last name are not acceptable), complete mailing address, occupation, and name of employer. (11 CFR § 100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR § 104.7(b)(1)) See 11 CFR § 104.7(b)(1)(B) for examples of acceptable statements regarding the requirements of federal law.

10030522698

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2)) The requests must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you should either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR § 104.7(b)(4))

Please amend your report to provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

2. Schedule A of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §110.1(c) prohibit a State, district or local party committee (combined) from receiving any contribution from a person or non-multicandidate political committee in excess of \$10,000 per calendar year.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt, (1) the excessive amount was properly reattributed to another person, such as a joint account holder, by obtaining signed written authorizations from each person making the contribution pursuant to 11 CFR 110.1(k)(3), and (2) the treasurer informs the person making the contribution that he or she may request the return of the excessive portion

10030522699

of the contribution if it is not intended to be a joint contribution. Any request from a donor for a refund must be honored.

Alternatively, the funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

If the foregoing conditions for reattributions or transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action promptly in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

3. Schedule A of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §110.2(d) prohibit a state, district or local party committee (combined) from receiving any contribution from a multicandidate political committee in excess of \$5,000 per calendar year.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you must amend your original report with the clarifying information.

If any contribution you received exceeds the limits, you may have to refund the excessive amount. The funds can be retained if within 60 days of receipt you (1) transferred the excessive amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund. Any request from a donor for a refund must be honored.

10030522700

If the foregoing conditions for transfers to a non-federal account were not met within 60 days of receipt, the excessive amount must be refunded.

Please inform the Commission of your corrective action promptly in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

4. A review of the reports filed by your committee (see attached) indicates that your committee received one or more contributions from "UFCW" which has not been disclosed on their report(s) of receipts and disbursements. Please provide clarifying information regarding the source of the contribution(s) received by your committee.

5. Your 2010 August Monthly (7/1/10-7/31/10), 2010 September Monthly (8/1/10-8/31/10) and October Monthly (9/1/10-9/30/10) Reports combined do not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

6. Schedule B supporting Line 30(b) of your report discloses a payment(s) for "Sample Ballot Including Fed. Candidates" which is categorized as Federal Election Activity and therefore, may require the disclosure of the candidate(s) this activity should be attributed to. Expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, please be advised that public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be

10030522701

properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

7. Schedule H2 of your report indicates that your committee participated in "08-26-10 Event (08/26/2010)" activities or events during the reporting period. However, there are no corresponding disbursements reflected on your Schedule H4. Note that you need not include activities on Schedule H2 if there are no corresponding payments made for the activity during the reporting period. If any disbursements were incorrectly reported, you should file an amended Schedule H4 with the correct activity or event identifier, or provide clarifying information regarding the activities on Schedule H2.

8. Please clarify all expenditures made for "08-26-10 Com Ed Event Food Beverage Bev. Room" on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction(s) and amend your report(s) as appropriate.

9. On Schedule(s) H4 supporting Line(s) 21(a) of the Detailed Summary Page, you have not included the full name and/or mailing address for several vendors listed. Please amend your report accordingly.

10. Please amend your report by providing the purpose for each disbursement itemized on Schedule(s) H4 supporting Line(s) 21(a).

11. Schedule H4 of your report discloses a payment(s) for "VMB walk cards" which appears to meet the definition of Federal Election Activity ("FEA") and may also meet the conditions of exempt party activity as defined under 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149. Please be advised that activity which simultaneously

10030522702

constitutes both exempt activity and FEA must be paid for as an FEA activity.

If this apparent exempt activity represents Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot, it is considered to be Federal Election Activity. If this apparent exempt activity represents Voter Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held and ends on the date of the election, it is considered to be Federal Election Activity. 11 CFR §100.24 Further, Levin funds may only be used for these types of FEA if there is no reference to a clearly identified candidate for Federal office. 11 CFR §300.32(b) and (c)

If this apparent exempt activity is a public communication(s) (as defined under 11 CFR §100.26) that refers to a clearly identified candidate for Federal office and promotes, supports, attacks or opposes any candidate for Federal office, it meets the definition of Federal Election Activity under 11 CFR §100.24 and must be paid for with 100% Federal funds and disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate.

It appears that you have allocated the costs for this activity between federal and non-federal funds. Any reimbursement from your committee's non-federal or Levin account for Federal Election Activity costs referencing a clearly identified candidate for Federal office is not permissible and must be returned. 11 CFR §§300.32 and 300.33

Please amend your report to (1) clarify whether the activity disclosed meets the conditions of exempt party activity, (2) clarify the type of FEA this activity represents or provide clarifying information as to why it does not meet the definition of FEA, and (3) inform the Commission of any corrective action immediately. In addition, please properly disclose this activity if necessary.

12. Schedule H4 of your report discloses reimbursements to individuals for "Mileage reimbursement and cc expenses," "Mileage reimbursement and Spring bill" and "Reimbursed expenses-see memos." Please be advised that

10030522703

when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information and clearly identify on the Schedule H4, which reimbursement each memo entry relates to. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

13. Schedule H6 of your report discloses disbursements which use a ratio that is inconsistent with the ratio disclosed on Schedule H1 for the 2010 election cycle. The fixed ratio for the allocation of Federal Election Activity expenses should be the same for the full two-year election cycle. Please amend your report to clarify this apparent discrepancy.

14. Schedule H6 of your report discloses a payment(s) for "Sample Ballots" which appears to meet the definition of Federal Election Activity ("FEA") and may also meet the conditions of exempt party activity as defined under 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149. Please be advised that activity which simultaneously constitutes both exempt activity and FEA must be paid for as an FEA activity.

If this apparent exempt activity represents Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot, it is considered to be Federal Election Activity. If this apparent exempt activity represents Voter Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held and ends on the date of the election, it is considered to be Federal Election Activity. 11 CFR §100.24 Further, Levin funds may only be used for these types of FEA if there is no reference to a clearly identified candidate for Federal office. 11 CFR §300.32(b) and (c)

If this apparent exempt activity is a public communication(s) (as defined under 11 CFR §100.26) that refers to a clearly identified candidate for Federal office and promotes, supports, attacks or opposes any candidate for Federal office, it meets the definition of Federal Election Activity under 11 CFR §100.24 and must be paid for with 100% Federal funds and disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would

constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate.

It appears that you have allocated the costs for this activity between federal and Levin funds. Any reimbursement from your committee's non-federal or Levin account for Federal Election Activity costs referencing a clearly identified candidate for Federal office is not permissible and must be returned. 11 CFR §§300.32 and 300.33

Please amend your report to clarify if the activity disclosed meets the conditions of exempt party activity and also if it meets the definition of Federal Election Activity. If the activity does not meet the conditions of exempt party activity, please clarify if it contains express advocacy. Further, please inform the Commission of any corrective action immediately and properly disclose this activity, if necessary.

15. Schedule H5 of your report discloses a transfer(s) of Levin funds for allocated Federal Election Activity from the "Democratic Party of IL Non Federal" account. Please clarify whether this account is an account that functions as both a non-federal account and a Levin account or if it was established solely for the receipt of Levin funds for Federal Election Activity. 11 CFR §300.30

16. Schedule H5 of your report discloses a \$100,000 transfer(s)-in of Levin funds to your federal account for allocable federal election activity. However, a Schedule L-B was not filed to disclose the disbursement of Levin funds for this activity. Please be advised each transfer of Levin funds from a Levin or non-federal account to a Federal account must be itemized on Schedule L-B regardless of the amount transferred. Furthermore, the total amount of activity itemized on Schedule L-B should be disclosed on the appropriate line of the Schedule L Aggregation Page. Please amend your report to include Schedules L and L-B or provide clarifying information regarding this activity. 11 CFR §300.36(b)(2)(ii)

- Please be advised all receipts of Levin Funds aggregating \$200 or more per year must be itemized on Schedule L-A. Receipts of Levin funds that aggregate less than \$200 should be disclosed on Line 1(b) of the Schedule L Aggregation Page as Unitemized. 11 CFR §300.36(b)(2)(iv)

- Schedule A of your report discloses contributions from political committees that fail to include a full and/or recognizable name. Reporting only the name of the connected organization, abbreviating the name of the committee so it is unrecognizable, or using an indistinguishable acronym is

10030522705

inadequate. The following committee names from your report need further clarification: "AFT PAC" and "UFCW."

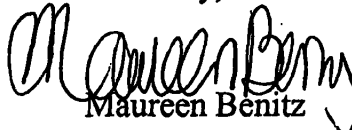
Please amend your report to include the missing information. 11 CFR §§100.12, 102.14(c) and 104.3(a)(4)(ii)

- Please clarify all expenditures made for "10-04-10 Fundraiser - 2nd payment" on Schedule B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Aot may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1147.

Sincerely,



Maureen Benitz

Senior Campaign Finance & Reviewing Analyst  
Reports Analysis Division

DEMOCRATIC PARTY OF ILLINOIS

PAGE 10

Excessive Receipts from An Individual

Contributor Name	Date	Amount	Report
Montgomery, Harle G.	8/23/10	\$10,000	September Monthly Report
Montgomery, Harle	9/9/10	\$7,600	October Monthly Report

Excessive Receipts from a Committee

Contributor Name	Date	Amount	Report
I.B.E.W. - C.O.P.E	9/2/10	\$5,000	October Monthly Report
I.B.E.W. - C.O.P.E	9/10/10	\$9,605	October Monthly Report

UNITED TRANSPORTATION UNION POLITICAL ACTION COMMITTEE (UTU PAC)	2/24/10	\$400	March Monthly Report
UNITED TRANSPORTATION UNION POLITICAL ACTION COMMITTEE (UTU PAC)	7/26/10	\$1,000	August Monthly Report
UNITED TRANSPORTATION UNION POLITICAL ACTION COMMITTEE (UTU PAC)	9/17/10	\$5,000	October Monthly Report

Contribution not Disclosed by Donor Committee

Contributor Name	Date	Amount	Report
UFCW	9/28/10	\$5,000	October Monthly Report

10030522707